

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

LAURELHURST CONDOMINIUM OWNER'S  
ASSOCIATION, a Washington non-profit  
corporation,

Plaintiff,

v.

QBE SPECIALTY INSURANCE COMPANY, a  
North Dakota company; and DOE INSURANCE  
COMPANIES 1-10,

Defendants.

NO.

COMPLAINT FOR DECLARATORY RELIEF  
AND MONEY DAMAGES

JURY DEMAND

Plaintiff Laurelhurst Condominium Owner's Association ("the Association") alleges as  
follows:

**I. INTRODUCTION**

1.1 This is an action for declaratory judgment and money damages seeking:

(A) A declaration of the rights, duties and liabilities of the parties with respect to certain  
controverted issues under Defendant QBE Specialty Insurance Company ("QBE") insurance  
policies issued to the Association. The Association is seeking a ruling that QBE's policies provide  
coverage for the hidden damage at the Laurelhurst Condominiums and that QBE is liable for money  
damages for the cost of repairing hidden damage at the Laurelhurst Condominiums.

(B) Attorneys' fees (including expert witness fees) and costs.

(C) Any other relief the Court deems just and equitable.

## II. PARTIES AND INSURANCE CONTRACTS

2.1 The Association. The Association is a nonprofit corporation organized under the laws of the state of Washington with its principal place of business located in King County, Washington. The Association has the duty to maintain the common elements and any limited common elements of the Laurelhurst Condominiums located 4545 Sand Point Way NE, Seattle, WA. The Laurelhurst Condominiums consist of 1 building and 54 residential units.

2.2 QBE. QBE Specialty Insurance Company (“QBE”) is incorporated under the laws of North Dakota with its principal place of business in Sun Prairie, Wisconsin. QBE sold property insurance policies to the Association including but not limited to the following Policy Numbers: SSE76200-00 (in effect from at least July 14, 2012 to July 14, 2013); SSE76200-01 (in effect from at least July 14, 2013 to July 14, 2014); SSE76200-02 (in effect from at least July 14, 2014 to July 14, 2015); SSE80396-00 (in effect from at least July 14, 2015 to July 14, 2016); SSE80396-01 (in effect from at least July 14, 2016 to July 14, 2017); SSE83726-00 (in effect from at least July 14, 2017 to July 14, 2018); SSE83726-01 (in effect from at least July 14, 2018 to July 14, 2019); and SSE83726-02 (in effect from at least July 14, 2019 to July 14, 2020). The QBE policies identify the Laurelhurst Condominiums as covered property. The Association is seeking coverage under all QBE Specialty policies issued to the Association.

2.3 Doe Insurance Companies 1-10. Doe Insurance Companies 1-10 are currently unidentified entities who, on information and belief, sold insurance policies to the Association that identify the Laurelhurst Condominiums as covered property.

2.4 Laurelhurst Insurers. QBE and Doe Insurance Companies 1-10 shall be collectively referred to as the “Laurelhurst Insurers.”

2.5 Laurelhurst Policies. The policies issued to the Association by the Laurelhurst Insurers shall be collectively referred to as the “Laurelhurst Policies.”

## III. JURISDICTION AND VENUE

3.1 This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1332 (diversity jurisdiction) as the parties are completely diverse in citizenship and the amount in controversy exceeds \$75,000 as necessary repairs to the Laurelhurst Condominiums has been estimated by the Association's experts to vastly exceed \$75,000.

3.2 Venue is proper in this District pursuant to 28 U.S.C. § 1391(b)(2) as the Laurelhurst Insurers marketed and sold insurance to the Association in King County; a substantial part of the events giving rise to the claim, including the breach of contract, occurred in King County; and the insured condominium building is located in King County.

#### IV. FACTS

4.1 Incorporation by Reference. The Association re-alleges the allegations of paragraphs 1.1 through 3.2, above, as if fully set forth herein.

4.2 Tender to QBE. Amento Group conducted a limited intrusive investigation at the Laurelhurst Condominiums and discovered hidden damage to exterior walls and decks. On February 28, 2022, the Association tendered claim to QBE.

#### V. CLAIM AGAINST THE LAURELHURST INSURERS FOR DECLARATORY RELIEF THAT THE LAURELHURST POLICIES PROVIDE COVERAGE

5.1 Incorporation by Reference. The Association re-alleges and incorporates by reference the allegations of paragraphs 1.1 through 4.2, above, as if fully set forth herein.

5.2 Declaratory Relief. The Association seeks declaratory relief from the Court in the form of determinations regarding the following disputed issues:

(A) The Laurelhurst Policies cover the hidden damage to exterior building components including but not limited to hidden damage to the exterior walls and decks at the Laurelhurst Condominiums.

(B) No exclusions, conditions, or limitations bar coverage under the Laurelhurst Policies.

(C) The loss or damage to the Laurelhurst Condominiums was incremental and progressive. New damage occurred during each year of the Laurelhurst Policies.

(D) As a result, the Laurelhurst Policies cover the cost of investigating and repairing the hidden damage to exterior building components including but not limited to hidden damage to exterior walls and decks at the Laurelhurst Condominiums.

## **VI. PRAYER FOR RELIEF**

WHEREFORE, the Association prays for judgment as follows:

6.1 Declaratory Judgment Regarding Coverage. A declaratory judgment that the Laurelhurst Policies provide coverage as described herein.

6.2 Money Damages. For money damages in an amount to be proven at trial.

6.3 Attorneys' Fees and Costs of Suit. For reasonable attorneys' fees (including expert fees).

*See Olympic Steamship Co. v. Centennial Ins. Co.*, 117 Wn.2d 37, 811 P.2d 673 (1991), and RCW 48.30.015.

6.4 Other Relief. For such other and further relief as the Court deems just and equitable.

## **VII. DEMAND FOR JURY TRIAL**

7.1 Pursuant to Rule 38 of the Federal Rules of Civil Procedure, the Association demands trial by jury in this action of all issues so triable.

DATED this 28<sup>th</sup> day of February, 2022.

**STEIN, SUDWEEKS & STEIN, PLLC**

/s/ Jerry H. Stein

Jerry H. Stein, WSBA #27721

/s/ Justin D. Sudweeks

Justin D. Sudweeks, WSBA #28755

/s/ Daniel J. Stein

Daniel J. Stein, WSBA #48739

/s/ Dylan Hannafious

Dylan Hannafious, WSBA #57355

16400 Southcenter Parkway, Suite 410

Tukwila, WA 98188

Email: jstein@condodefects.com

justin@condodefects.com

1 dstein@condodefects.com  
2 dylan@condodefects.com  
Telephone: (206) 388-0660

3 *Attorneys for Plaintiff*  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27